ASSEMBLY AGRICULTURE AND FOOD SECURITY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 323

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 23, 2023

The Assembly Agriculture and Food Security Committee reports favorably and with committee amendments Assembly Bill No. 323.

As amended, this bill establishes a Veterinary Medicine Loan Redemption Program to address the current large animal veterinarian shortage in this State. The program would be administered by the Higher Education Student Assistance Authority (HESAA).

Specifically, the bill provides for redemption of eligible qualifying loan expenses for veterinarians who work for no less than five years at an approved site. The bill defines "approved site" as a site located within a State designated veterinary underserved area or within five miles of a State designated veterinary underserved area. The bill defines "State designated veterinary underserved area" as a geographic area designated in the State by the Secretary of Agriculture on the basis of a large animal veterinarian shortage affecting the area. The bill directs the Secretary of Agriculture, in consultation with the New Jersey Horse Council, the New Jersey Association of Equine Practitioners, and the New Jersey Farm Bureau, to annually establish a list of State designated veterinary underserved areas and transmit that list to HESAA.

Program participants would be required to:

(1) be State residents;

(2) have graduated from a veterinary school approved by the State Board of Veterinary Medical Examiners for the purpose of licensure and receive a recommendation from the school's veterinary medicine staff concerning participation in the loan redemption program;

(3) be a veterinarian licensed to practice in this State; and

(4) agree to practice at an approved site.

In return for this commitment, the program participant's eligible qualifying loan expenses would be reimbursed. The maximum loan redemption under the bill is established at 100 percent of the eligible qualifying loan expenses for full-time service and 50 percent of the eligible qualifying loan expenses for half-time service in return for five years of service at an approved site, except that the amount of qualifying loans which may be redeemed for a participant under the program cannot not exceed $20,000 in any year for full-time service or

$10,000 in any year for half-time service. No amount of eligible qualifying loan expenses would be redeemed for services performed for less than a full year.

The loan principal and interest would be reimbursed as follows with respect to full-time service:

(1) first year of service, 12 percent of principal and interest;

(2) second year of service, 20 percent of principal and interest;

(3) third year of service, 20 percent of principal and interest;

(4) fourth year of service, 24 percent of principal and interest; and

(5) fifth year of service, 24 percent of principal and interest.

The loan principal and interest would be reimbursed as follows with respect to half-time service:

(1) first year of service, six percent of principal and interest;

(2) second year of service, 10 percent of principal and interest;

(3) third year of service, 10 percent of principal and interest;

(4) fourth year of service, 12 percent of principal and interest; and

(5) fifth year of service, 12 percent of principal and interest.

The bill provides that in the case of a program participant's death or total and permanent disability, HESAA would nullify the service obligation of the program participant. The nullification would also terminate HESAA's obligations under the loan redemption contract. In the event of a program participant's death or total and permanent disability, HESAA would not require repayment of the prior redeemed portion of indebtedness.

The bill provides that in Fiscal Year 2024 and each fiscal year thereafter, $500,000 would be appropriated from the General Fund to HESAA for the Veterinary Medicine Loan Redemption Program.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide for the bill’s provisions to first become applicable in Fiscal Year (FY) 2023 instead of FY 2022, as was provided by the introduced bill, and to additionally change the first year in which an annual appropriation is to be made under the bill to FY 2024 instead of FY 2023, as was provided in the introduced bill.